

Acquisition Company

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Abstract: Acquisition can be different in two type such as Financial Aquisition and Strategic Aquisition. Financial Aquisition is a aquisition against one or some of the specific company which implementation with the aim to reach advantage financial, while strategic acquisition is a acquisition to implementation with purpose to create synergy with basic on balance advantage long-term. If relate with marketing aspect, acquisition can be clarification became some form such as :1. Horizontal Acquisition, in this acquisition company which acquisition to move in the industry (line business) which same with acquisition company; 2. Vertical Acquisition, it is acquisition relate to companies in goods production or service which same, but in the step production to different, an example acquisition between companies flight with trip bureau; 3. Conglomeration Acquisition better company which acquisition although acquisition has not relate business in live one the same other; 4. Concentric Acquisition, that is acquisition between acquisition company and target company to connection through the use of the technology basic, production process or market.

Index Terms: Financial Acquisition, Strategy, Company

1 INTRODUCTION

Acquisition comes from the word "Acquire", in literal interpret as "being the owner", restraint or authorization. Some means or definition acquisition definition can be found in the some literature of the law company on the basic have common mean. An example in Black's Law Dictionary, common explanation aquisition is:" The act of becoming of the owner of certain property; the act by which one acqvhcs or procesur the property in anything. Used also of thing aquired. Taking with, or against, consent [1]. While, according to Peter Salim in his book : " Applied Business Dictionary" 155, mention aquisition as a term usual to be used in the business world to take over a company by other companies, with buy share company. In juridical, the regulation acquisition can be found in the Constitution No 40 of 2007 About Limited Company in Chapter VIII from Article 122 until Article 137. In general determinate of this constitution, it mean with aquisition is deed law to implementation by the law or people individual to take over share company result control over the company. Definition more distinct can be found in the regulation of Government No 27 of 1998 About Merging, Fusion and Take Over Limited Company, mention that is:

"Take over is regulation of the law implementation by the law or people individual to take over good all of the big part share company can be result change restraint against company"

Especially about good acquisition, to set in the Regulation of Government No 70 of 1992 about General Bank and Letter Finance Minister Decision No 22/KMK.017/1993, based on the Article 1 letter c Letter Finance Minister Decision mention bank acquisition is take over bank ownership. From the some definition can be writer conclusion of the acquisition is take over a part or all of the share a company (or bank) without commit repeal permission and liquidation. Therefore, acquisition different with merger and consolidation although have same purpose.

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2 THE PURPOSE OF ACQUISITION

In the practice of business, most acquisition by most of the entrepreneur, because acquisition easy to implementation equal with merger consolidation. In general, the purpose do acquisition with the purpose doing merger and consolidation among other [1]:

1. Enlarge share of the market (market share)
2. Gain benefits tax or financial income that it can higher enlarge income and financial the company is taken over.
3. Enlarge supply or standard material.
4. Injecting a number of funds to target companies that are experience liquidity problems through the application of the acquisition the pretext of diversification, as a manifestation of the tactics of the "transfer profit" between company one roof or same ownership.
5. For Expansion of Businessor expand its business in the field that have been or will be closed.
6. Ensuring that the cost or expenditure on research and development can be more efficient, effective and productive.
7. As a way to run a business or cooperation.
8. Nourish back a company that is trouble because of the excess production capacity that is not utilized.
9. Increase the competitiveness of the company
10. Repair of management system. While benefit from acquisition is [1]:
 1. Raising income
 2. Decrease of cost.
 3. Reduce or exception imposition tax
 4. Cost reduction working capital

3 TYPES OF ACQUISITION

Acquisition can be different in two types that is Financial Acquisition and Strategy Acquisition. Financial acquisition is a action acquisition about one or some companies of certain to implementation with the purpose to achieve financial profit, while strategy acquisition is a acquisition implementation with the purpose to create synergy with basic on the balances profit long-term.

If relate with marketing aspect, acquisition can be classificaion became some form that is:

1. Horizontal Acquisition, in this acquisition company which acquisition move in the industry (line business) same with company authority.
2. Vertical Acquisition, its acquisition involve companies in

production goods or service same, but being in the level of production of different, an example acquisition between flight company with trip bureau.

3. Conglomeration Acquisition, good company to acquired although acquired have not relate of live business one same other.
4. Concentric Acquisition, that is acquisition between company the acquirer and target company to connection through consumption basic of technology, production of process or market.

Special for bank, acquisition used horizontal acquisition, because bank carry out acquisition have kind of business which same around product marketing which same, with other word almost all of the same activities.

4 ACQUISITION OF PROHIBITED

Why acquisition include one of the object study from the law anti-monopoly? acquisition must to set by the law because acquisition can be surface negative effect in the competition market it healthy. Negative effect from acquisition through competition market some of :

1. The creation or increase in market concentration that can cause the price of the product the higher.
2. Market power become more large which can threaten small business owners.

Because acquisition a company potent to occur monopoly practice or business competition unhealthy, that of Constitution No 5 of 1999 about Anti-Monopoly and Business Practice Business Competition Unhealthy to set through Article 28 and 29 Acquisition good company vertical acquisition, horizontal although conglomeration prohibit by Constitution Anti-Monopoly if acquisition caused occur monopoly practice and or business competition unhealthy. In the Constitution No 40 of 2007 About Limited Company also has arrange about acquisition company in the core acquisition must to do with attention between other important of society and unhealthy competition. Chapter VIII Article 126 paragraph (1) said: "Deed of the law merger fusion or separation must pay attention to the interest of:

- a. Company, holder sahami minoritas, employess of the company;
- b. Creditor and a business partners other of the company and;
- c. Society and healthy competition in doing effort;

If company attention of the Article above, that company acquisition will not prohibit by government, however if acquisition cause value assets and or sale value more a certain amount, then in this case the company obligatory inform to the commission supervisor competition business (CSCB) as instruction by the Article 29 Constitution No 5 of 1999 about Anti- Monopoly and Practice Competition Business Unhealthy.

5 AN EXAMPLE OF A CASE ACQUISITION AND THE POSITION OF DOMINANT THAT CAN CAUSE MONOPOLY

As describe above merger, consolidation and acquisition in addition to bring influence positive also bring impact negative, that is occur of monopoly. As sample is case of Temasek break

by CSBC has contravene of Constitution No 5 of 1999 about Anti-Monopoly and Competition of Business Unhealthy follow analysis about case Temasek: First, analysis authority market in field telecommunication. STT, the entire owned by Temasek that is State Owned Enterprises Singapura, on July 2002 together Hutchinson Whampoa buy Global Crossing worth US\$ 750 million. Global Crossing is a company telecommunication largest in the world to dominant network fiberoptic all 10 thousand mile reach 27 countries in the world include Amerika, Europe and Asia Pacific. In development global network, STT on October 2002 also buy Equinix and Pihana Pacific. Second is organization internet business exchange (IBM) Pihana Pacific to organization neutral internet exchange data center in Asia Pacific. Then, on December of 2002 STT declared the winner over divertation share LC of 41,94%. Indosat Tbk. In addition, through Singtel as an extension of his hand Temasek also has a share of 35% at LC Telkomsel is child company from LC Telkom Tbk. So with the master Indosat, Telkomsel, Global Crossing, pihana Pasific and Equinix, it mean Temasek master almost half of the telecommunication network the second world, analysis question of the position dominant of the law in field telecommunication. After know that Temasek master market in field telecommunication and structure ownership share. Temasek above, that can be said Temasek in the position dominant in field telecommunication. Because, with master majority ownership share in field telecommunication. Temasek can be dominant composition member management and commissioner. It result, Temasek in the position central to provide and direction of plan and strategy of companies relate it. Situation thus is very the potential to cause monopoly practice and or unhealthy competition. This can be seen as poured in the Shareholder Agreement in management share LC. Indosat Tbk. Mention that in the election of the board of commissioners and board of directors determine by a simple majority. It result, The Ministry of Country SOEI to be able to change the policy LC Indosat Tbk if contradiction with the policy from STT? Although as share holder sen A The Ministry of SOEI have right veto, but with composition small ownership and election of commissioner and board of management determine with simple majority, the right veto it difficult to be able implemented. Because, have golden share without become share holder majority that golden share become it's not mean because his right only candidature one person management and commissioner, finally the decide is RUPS with simple majority. Third, analysis on the potential loss due to action take over of share LC Indosat. Management of 41,94% share LC Indosat Tbk, to surface potential loss for Indonesia because the cost sale share fall under value strategy LC Indosat Tbk. As for value strategy LC Indosat Tbk among other: a. Indosat as holder license frequency GSM cellular with total 15 Mhz most comparison with Telkomsel and Exelcom of 12,5 Mhz; b. License have Indosa Group is cellular, local telephone, SLJJ telephone, SLI OOI telephone and 008 satellite, Network Access Point Internet, VOIP 2 subject, TV cable and multimedia;c. Customer Indosat consist of: :

- (1) 3,1 million customer cellular Satelindo;
- (2) 500.000 customer IM-3
- (3) 100% customer SLI 001 (Indosat) and 008 (Satelindo);
- (4) Lintasarta Customer, IM2 include data communication, internet, multimedia, 75% network Indonesia Bank, 30.000 internet customer IM2, 300 customer cable TV IM2 technology device:

- (1) 4 central gate technology
- (2) 2 station cable the international
- (3) 5 station earth satellite
- (4) Satellite palapa (for domestic), Intelsat & Inmarsat (for international)

For geographical side, Indonesia country to clarification as space power state means country to potential become room country sky as archipelago country has wealth abundant natural, the state of the weather positive and have inland sea board. Not again population the big so that potential to the market telecommunication. Then, country of Indonesia to cut by the equator so under geo stationary orbit (GSO) within approximate 360.000 km from surface of the earth is a efficient and economical to put satellite telecommunication because free from influence negative such as earthquake, an electrical storm, ground slid. Satellite Indosat have position at GSO above Indonesia and have value from economic side, culture, safety strategy, defense and future development Indonesia nation. With existence Indosat satellite easy to access information about some kinds knowledge science can said: "who controls Indosat, controls not only Fourth analysis regulation relate with privatisation Determine about privatisation issued by the Ministry of SOEI and PP No.30 of 2002 about The Sale of Share Owner to the State of the Republic Indonesia at Limited Company (LC) LC Indosat Tbk, requisite candidate criteria investor is

a. The party is not are:

1. telecommunication Operator are domicile of the law in Indonesia and owned by the government RI of 25% or more from share place in this party:
 2. Child of company from party (1) above have permission organization cellular business to character national.
 3. Child of company from party 1 and 2 above
 4. Owner share majority (more from 25%) on the party 1 and 2 above
- b. Have asset total or fund in management based on the report new financial minimal US\$ 450 million
- c. Have experience significant as operator and or investor in field telecommunication and or can be show that party have ability to given contribution in field telecommunication.

5 CONCLUSIONS

From the description of the above can writer infer acquisition was take over of some or the all of companies share (or bank) without do repeal permission and liquidation. Therefore, acquisition different with merger and consolidation although have purpose which same. In practice business, acquisition most by big half entrepreneur, because acquisition easy to realization equal with merger consolidation, In general, the purpose doing acquisition with the purpose realization merger and consolidation. Injection a number fund to the target company are experience difficult liquidation through application acquisition with pretext diversification, as shape pretext tactic "transfer profit" between company in one roof or ownership which same.

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